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TAGS: [PGOV](#) [ECON](#) [PHUM](#) [EFIN](#) [CH](#)  
SUBJECT: PREMIER WEN SUFFERS CRITICISM, BUT POSITION  
REMAINS "STABLE," CONTACTS SAY

REF: A. BEIJING 766  
[1](#)B. BEIJING 1970

Classified By: Acting Political Minster Counselor Benjamin Moeling. Re  
asons 1.4 (b/d).

#### Summary

[1](#)1. (C) Rumors that Premier Wen Jiabao is under fire for a variety of alleged failings continue to circulate among China's politically active circles, but the chances of Wen being forced out before his term expires in 2013 are remote, according to a number of Embassy contacts. Wen has reportedly been criticized for mismanagement of the economy and for being too "liberal," though those criticisms have become less significant in light of the Xinjiang riots and improved second quarter economic growth figures. Even the military is nursing grudges against Wen, contacts report, for his criticism of the PLA during the 2008 Sichuan earthquake last year. Nonetheless, our sources are nearly unanimous in their assessment that Wen will almost certainly survive at least until the 18th Party Congress in 2012 and the opening of a new National People's Congress in 2013. End Summary.

#### Wen's Economic Report Card, Zhu Rongji Displeased

[1](#)2. (C) In the latest iteration of Wen's alleged economic mismanagement making the rounds of the rumor mill, Wen is said to have recently aroused the ire of his mentor and political ally, former Premier Zhu Rongji. (Note: Rumors of dissatisfaction over Wen's handling of the economy have circulated in Beijing for years, with many in China's business community reportedly critical of his ability, or lack thereof, to manage China's economy.) Wang Chong (protect), former international page columnist of China Youth Daily, told PolOff on March 11 that many, including an agitated Zhu Rongji, viewed Wen as being behind the curve on economic issues and slow to respond to problems. Wen was too worried about checking inflation in early 2008, going "too far" to slow growth, only to then respond too slowly to the global financial crisis that became apparent later in 2008, Wang asserted. He scoffed at what he called Wen's "big policy" of "upgrading ten key industries," claiming that Wen gave the National Development and Reform Commission "only one week" to come up with a plan to implement the policy. In Wang's opinion, China's four trillion RMB stimulus package also had a slap dash feel to it.

[1](#)3. (C) Other academics feel that Wen's policies have been vindicated by results. Beijing University Assistant Professor (and sometime editorial contributor to the Global Times) Yu Wanli (protect) said July 17 that news reports that China's economic growth reached 7.9% in the second quarter validated Wen's economic approach. "Grandpa Wen nearly achieved the treasured 8% economic growth target," Yu said. (Note: this quote is nearly melodic in Chinese: "Bao Bao

dedao le bao ba.") He hedged his praise, however, noting that academic and media commentators (he had just attended a Global Times editorial meeting) were criticizing the fact that growth was coming at the cost of a mounting debt load.

¶4. (C) In a separate meeting with PolOffs on March 12, China Youth Daily journalist Lu Yuegang (protect) also said he had heard rumors that Zhu Rongji was not happy with Wen's handling of the economy, but felt that the criticism was unfounded. "It's not like Zhu Rongji was a great premier," Lu said, asserting that Zhu had also made economic blunders, having promoted especially bad policies on grain and farm incomes. (Note: Lu volunteered that Zhao Ziyang was the best premier China had ever had, displaying both economic expertise and awareness of the need for political reform. End note.) Raising a separate criticism of Wen with PolOff on March 18, China Academy of Social Science (CASS) scholar Dong Lisheng (protect) said that rumors in Western media of a clash between Wen and Guangdong Party Secretary and Politburo Member Wang Yang over economic policy were accurate. Wen allegedly criticized Wang publicly for resisting Wen's orders to delay an ambitious plan to replace labor-intensive industry with high-tech, value-added industry during a period of potential labor unrest.

Is Wen a Liberal?  
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¶5. (C) Wu Jiaxiang (protect), who served on the Central Committee General Office research staff when Wen was General Office Director in the late 1980s, told PolOff on May 18 that there was criticism of Wen, but it was political in nature,

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unrelated to economic management. Wu, citing a college classmate who works in Wen's office, said that Wen was perceived by many as being "too liberal" and as sharing the strong reform values attributed to close followers of the late, purged, Party chief Zhao Ziyang, especially on political reform. Wen ran into trouble recently for supposedly endorsing "universal values" in a UN speech last September, Wu said, especially irritating old guard communists who associated the idea with Western-style democracy and liberalism. Wu speculated that the ideological criticism of Wen was coming in part from hard-line retired leader Song Ping, who, Wu said, was largely responsible for elevating Hu Jintao to the Politburo Standing Committee (PBSC) and who still exercised some influence behind the scenes.

¶6. (C) CASS's Dong separately claimed that Wen was politically vulnerable for his "response" to the universal values debate in his UN speech. When leaders criticized universal values, according to Dong, this could be read as criticism of Wen. Moreover, Dong asserted, Wu Bangguo's unusually sharp rejection of "Western political models" at this year's NPC, was in part directed at Wen for his continued promotion of "democracy." The China Youth Daily's Lu agreed that Wen was broadly perceived to be more "liberal" than other top leaders, but did not think, as some well-connected intellectuals have alleged, that calls for more rapid political reform earlier in the year by prominent retired Party officials was a deliberate attempt to boost support for Wen (Ref A). Lu said that the letter sent in January to the PBSC by Li Rui and other retired Party veterans urging political and media reforms simply happened to overlap with Wen's more open thinking. To the extent that Wen was a more "liberal-minded" and "moderate" leader, the letter was supportive of him, Lu concluded. (See ref A for a discussion of the letter, dubbed the "09 Memorial") Separately, senior editor at China Economic Times, Zhang Xiantang (protect), told PolOff in May that Wen was under criticism from many "conservatives" in China's political establishment, with the main reason being Wen's endorsement of "universal values."

¶7. (C) Beijing University's Yu said Wen's position was strengthened by recent unrest in Xinjiang and Shishou, Hubei province. (Ref B) "He had nothing to do with those incidents," Yu said, "and others have been severely criticized as a result of them. Those who want to criticize, they have better targets now."

The PLA Piles On  
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¶8. (C) Wen has also come under attack from senior military leaders, according to Liu Yawei (protect), Carter Center staffer and brother of PLA Air Force Deputy Political Commissar, Lt. General Liu Yazhou. Liu told PolOff on June 5 that China's top brass were angry at Wen's alleged high-handed treatment of PLA disaster-response personnel on the ground in Wenchuan, Sichuan, shortly after the massive earthquake there last May. As the first, and only, top-level leader on the scene in the early post-earthquake period, Wen reportedly micro-managed earthquake relief operations. According to Liu, the military brass were especially incensed at sharp criticism allegedly leveled by Wen at airborne troops for delaying a jump into a remote area devastated by the earthquake due to concerns over the weather. Wen allegedly told the PLA the delay was "unacceptable," and that "the PLA needed to remember who it worked for -- the Chinese people." (Note: One of the incidents that catapulted Wen to hero status during the earthquake aftermath was a widely-reported scene of an emotional Wen screaming orders to accelerate relief efforts into the phone at a PLA officer and then slamming the phone down. The Chinese public was rapturous; peevis PLA surrogates complained that the PLA reports to Hu Jintao, not Wen. End note.)

All Premiers Get Criticized, Wen Is Safe  
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¶9. (C) Although some in Beijing reportedly believe Wen might have to "take responsibility" for some policy mistakes, it was unthinkable that he would step down before 2012, according to the near-unanimous judgment of our contacts. Chen Jieren told PolOff on May 13 that although there was criticism of Wen, especially on macro-economic issues, there were no reports that he was in serious difficulty. Everyone knows Wen's family was corrupt, Chen said, but it was "hard to believe" Wen could fall. As for Wen's reputation as China's "most popular" leader, Chen said, Wen was similar to China's former long-serving Premier Zhou Enlai, who had "no great accomplishments" but was "an excellent showman" (hen

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neng zuo xiu). Wu Jiexiang also dismissed speculation that any criticism would bring Wen down, stating that "nothing will happen" to Wen "or anyone else" (in the PBSC)" before ¶2012.

¶10. (C) Lu Yuegang was similarly skeptical of rumors positing that Wen was in political trouble. Every premier had been a lightning rod for criticism, Lu said, going back as far as Zhou Enlai, but this was not career-threatening. Dong Yuyu (protect), senior editor at the Central Committee paper Guangming Ribao, separately agreed that "all premiers get criticized," and said Wen may attract more attention because of the many young, pro-reform cadres on his staff. Dong Lisheng said that despite some political tension and divergence of opinion on this or that small issue, Hu and Wen were in agreement on the big issues of economic reform and development and that Hu needed Wen's support to keep reform on track. However, offering a word of caution on speculation about leadership politics, China University of Political Science and Law Professor Cai Dingjian told PolOff on March 4, that despite all signs pointing to a continuing Hu-Wen partnership until 2012, "anything can happen in Chinese politics."

